

16 January 1959

MEMORANDUM FOR: Deputy Director/Intelligence

SUBJECT: NIS Production Situation in State

REFERENCE: My memo to DDCI, Subject: "Requirements for Sociological, Political, and Economic Intelligence in the NIS" dated 19 November 1958

*Meeting held  
with Gordon, Arneson  
of State, 13 Feb 59.*

1. The Agency's examination of the NIS program appears now to have narrowed to the question of NIS production by the Department of State. Reference memorandum examines the general requirements for sociological, political, and economic intelligence within the NIS program, and concludes that they are sound and necessary to the proper development of world-wide basic intelligence. In fact, it would be inconceivable to omit any of these vital aspects of a country, particularly the political, in the development of comprehensive basic intelligence within the NIS program.

2. Every user survey of the NIS has indicated firm need for sociological, political, and economic basic intelligence in terms of the present requirements. The only general comment of users is a desire for increased NIS production and maintenance. In a recent Department of State survey of NIS users at Foreign Service posts throughout the world, 90% of the political and economic officers and service attaches read all or (as would be anticipated) selective portions of the NIS for the country of post location, and 93% considered the NIS to be helpful to them. Moreover, the survey generated requests for an additional 3,865 NIS sections concerned principally with Chapter I (Brief), Chapter IV (Sociological), Chapter V (Political), and Chapter VI (Economic). It is also illuminating that 90% of CINCPAC's high priority requirements relating to all NIS units are for the Political chapters and sections on Far East countries.

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3. The NIS production situation in State is complicated by the inadequacy of the departmental intelligence staffs and the increasing demands for manpower to produce current staff intelligence. These conditions have resulted in NIS staffs being diverted more and more to departmental work. During the period July through December 1958 the net debit to NIS amounted to 31,656 manhours, as contrasted with 14,268 manhours debit for FY 1958, and 7,066 manhours for FY 1957. At the same time, State is progressively falling behind other NIS contributing agencies in world coverage. As of 30 June 1958 State had completed 54% of its initial production requirement as compared to 71% completion of initial production for the program as a whole.

4. The transfer of NIS budget support to State will mean a marked decrease in NIS production through increased diversion of NIS staffs to departmental work unless the Agency, and particularly the Director, takes a firm position respecting NIS commitments. The present NIS staffing pattern in State is sufficient to fulfill the JCS commitment relating to State's area of responsibility, providing the NIS staffs are used full time on NIS work. There is evidence that State needs a larger departmental intelligence staff, but that should come through direct budgetary support, and not through diversion of NIS funds which circumvents the intent of the Congress and may well lead to a general weakening of Congressional support of the NIS program. This will be the first time that State is supporting its NIS budget, and before different appropriations subcommittees than the NIS budget has heretofore been presented. It can be anticipated that many searching questions will be raised about State's portion of the NIS program, which literally doubles their intelligence budget, and about the program as a whole. In State's present preoccupation with augmenting its departmental intelligence staffs, the NIS program may well become the sacrificial lamb.

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Assistant Director  
Basic Intelligence

Enclosure:

Reference Memo